

U.S. DEPARTMENT OF HOMELAND SECURITY

U.S. DEPARTMENT OF TRANSPORTATION

CALIFORNIA STATE LANDS COMMISSION

PUBLIC HEARING IN THE MATTER OF

CABRILLO PORT LIQUEFIED NATURAL

GAS DEEPWATER PORT

OXNARD PERFORMING ARTS CENTER

800 HOBSON WAY

OXNARD, CALIFORNIA

TUESDAY, NOVEMBER 30, 2004

1:03 P.M.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

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Katz & Associates, Inc.

Mark Prescott, Chief, Deepwater Port Standard Division,
U.S. Coast Guard Headquarters

Michael Ferris, Director, Office of Financial and
Rate Approvals, U.S. Department of Transportation

Cy R. Oggins, Staff Environmental Scientist
State Lands Commission

Cheryl Karpowicz, AICP, Ecology & Environment, Inc.
International Specialists in the Environment

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P R O C E E D I N G S

MODERATOR MICHAELSON: Good afternoon and welcome

to today's public meeting for the Cabrillo Port LNG

Deepwater Port Draft EIS/EIR. This is the first of two

public meetings that will be held today, and we're very

delighted that you could be here.

My name is Lewis Michaelson, and I have been asked

by the Coast Guard, and the State Lands Commission, and

Maritime Administration to serve as the Moderator for

today's hearings and the other hearings being held during

this process.

I know most of you came through the registration

area on your way in. If, for whatever reason, you did not

come through and you did not know, there is a form like this

to fill out if you're interested in speaking today, in

today's session. So if for any reason you missed that, and

you did intend to speak, please make sure that you go over

there and fill one of those out. I'll be calling on people

based upon these cards being turned in.

We've got about 20 minutes worth of briefing

presentation, just to give you a quick overview of the

document and its preparation, and the balance, the majority

of the time is going to be devoted to the purpose for this

public meeting, which is to take public comment from you all

today.

1 So with that, I'm going to turn it over to
2 Mark Prescott, with the Coast Guard. Thanks.

3 MR. PRESCOTT: Good afternoon. Welcome to this
4 public meeting to provide you with the opportunity to
5 present your comments on the draft Environmental Impact
6 Statement/Environmental Impact Report that has been
7 developed, for the federal and State governments, to analyze
8 the Cabrillo Port application for a license to own and
9 operate a natural gas deepwater port off the coast of
10 California.

11 This meeting was announced in the Federal Register
12 on November 5th, 2004, as well as in local newspapers.

13 My name is Mark Prescott, I'm the Chief of the
14 Deepwater Port Standards Division at Coast Guard
15 Headquarters.

16 Accompanying me are Mr. Michael Ferris, of the
17 Maritime Administration, and Mr. Cy Oggins, from the
18 California State Lands Commission.

19 In a few moments, they will provide you with a
20 short overview of their agency's responsibilities regarding
21 the deepwater port application.

22 First, I'd like to give you a brief overview of
23 the general process and the role of the Coast Guard.

24 As background, in 1974 Congress passed the
25 Deepwater Port Act to license and regulate deepwater ports

1 for handling of oil. Under that Act the Secretary of
2 Transportation is responsible for issuing or denying a
3 license.

4 The Secretary delegated the responsibility for
5 processing of deepwater port applications to the Coast Guard
6 and the Maritime Administration.

7 Earlier this year, the Secretary further delegated
8 responsibility for issuing or denying a license to the
9 Maritime Administrator.

10 Over the past 30 years, only one deepwater port
11 has operated in the U.S. That's the Louisiana Offshore Oil
12 Port, off the coast of Louisiana.

13 In November of 2002 Congress passed the Maritime
14 Transportation Security Act, which amended the Deepwater
15 Ports Act by expanding its application to natural gas. In
16 the two years since the passage of that Act, the Coast Guard
17 and the Maritime Administration have received eight
18 applications for natural gas deepwater ports.

19 One of those applications was submitted September
20 3rd, 2003, by BHP Billiton LNG International, to own,
21 construct, and operate a natural gas deepwater port
22 approximately 14 miles off the coast of Ventura County.

23 The law requires that the Coast Guard and the
24 Maritime Administration determine that the application
25 contains the required information.

1 On January 27th, 2004 we published a notice in the
2 Federal Register stating that we had received the Cabrillo
3 Port application and that it appeared to contain the
4 required information.

5 In order to issue a deepwater port license, the
6 Secretary of Transportation must find that the applicant is
7 financially responsible, that it can and will comply with
8 applicable laws and regulations, that the construction of
9 the port is in the national interest.

10 In addition, a deepwater port must not interfere
11 with international navigation or other reasonable uses of
12 the high seas, and the construction of the port must
13 represent the best available technology to minimize adverse
14 impact on the environment.

15 In order to carry out these requirements, the
16 Coast Guard determined that an environmental impact
17 statement must be prepared with accordance with the National
18 Environmental Policy Act, or NEPA.

19 In addition, the proposed project requires a land
20 lease from the California State Lands Commission. As a
21 result, the proposed deepwater port must comply with the
22 California Environmental Quality Act, or CEQA, which
23 requires the preparation of an Environmental Impact Report.

24 The Coast Guard and the California State Lands
25 Commissions decided to prepare a single Environmental Impact

1 Statement/Environmental Impact Report, as agreed in a
2 memorandum of understanding between our agencies.

3 One other criteria is that the Governor of the
4 adjacent coastal state, or California, must approve of the
5 project.

6 On February 27th, 2004 a notice of intent, notice
7 of preparation to prepare an EIS/EIR, the Environmental
8 Impact Statement/Environmental Impact Report, for this
9 project and a notice of public meetings was published.

10 On February -- or I'm sorry, on March 15th and
11 16th we held public scoping meetings in Oxnard and in
12 Malibu, respectively. Those meetings were widely attended
13 and provided us with numerous comments, that we have
14 addressed in the draft EIS/EIR.

15 Following those meetings, we temporarily stopped
16 the statutory clock for processing the application for
17 approximately 150 days, to obtain and analyze additional
18 data. Some of that data, that was needed, was a direct
19 result of the comments received at the scoping meetings. A
20 specific example was the development and analysis of a new
21 onshore pipeline alternative in Oxnard.

22 I'd like to emphasize that this meeting is not the
23 only opportunity that people would have to comment on this
24 project. If you would like to provide written comments on
25 the EIS/EIR, they should be received by December 20th, 2004,

1 and there are instructions at the registration table on how
2 to go about that.

3 In addition, as required by the Deepwater Port
4 Act, the Coast Guard and Maritime Administration will hold
5 another public meeting in California to receive comments on
6 the application, itself, for consideration in developing a
7 record of decision for the Cabrillo Port application.

8 With that as general background, I'd like to give
9 you a bit more detail on the Coast Guard's responsibilities,
10 and then allow my colleagues to discuss their agency's
11 specific roles.

12 Although the Maritime Administrator will
13 ultimately decide, from the federal standpoint, on whether
14 or not to grant a license for this proposed deepwater port,
15 the Coast Guard has the lead in developing a significant
16 amount of the input necessary for that decision.

17 Specifically, we are the lead federal agency for
18 the development of the Environmental Impact Statement. In
19 carrying out this responsibility, we sought input from the
20 public and other federal agencies.

21 In the case of this application, as I've
22 mentioned, we're working very closely with the State of
23 California.

24 I would like to stress that in processing this
25 application, or any deepwater port application, the Coast

1 Guard is neither a proponent, nor an opponent, of this
2 project.

3 Aside from the environmental review with the
4 State, the Coast Guard has a number of other areas that
5 we're responsible for. These include the proposed
6 engineering design standards, an operations manual, and
7 security plans.

8 In addition, the local Coast Guard, through the
9 district office and local Captain of Port, will be directly
10 involved in developing waterways management, operations, and
11 security requirements.

12 The Coast Guard is also responsible for ensuring
13 that any vessel that calls on a U.S. port is in compliance
14 with various U.S. laws and regulations, and international
15 standards for design, construction, operation, and security
16 of the vessel.

17 At this time, I'm going to hand the mike to
18 Mike Ferris, and let him describe the Maritime
19 Administration's responsibilities.

20 MR. FERRIS: Thank you, Mark.

21 Good afternoon. My name is Michael Ferris, and
22 I'm representing the Maritime Administration at this
23 meeting.

24 Together, with the U.S. Coast Guard, the Secretary
25 of Transportation has charged us with processing deepwater

1 port applications for the federal government.

2 Further, the Secretary has placed the
3 responsibility for issuing or denying deepwater port
4 licenses with the Maritime Administration.

5 The Environmental Impact Statement is a major,
6 important step in the deepwater port application process.

7 Early on in this process a series of meetings were
8 held here, in California, in partnership with the State
9 Lands Commission, where you expressed your concerns and
10 provided areas of interest to be addressed in the joint
11 Environmental Impact Statement/Environmental Impact Report.

12 Cheryl Karpowicz, and the staff at E&E, along with
13 many staff members from involved federal, State, and local
14 government agencies, worked hard to produce a comprehensive
15 document addressing your concerns.

16 And I want to thank everybody who put the draft
17 together.

18 But we're not done, yet. We're back, now, to see
19 how we can make this document better. Your comments can
20 help us do just that and are greatly appreciated.

21 Now, where do we go from here? We're going to
22 take your comments concerning Cabrillo Port, made here and
23 those written, which can be made through December 20th, and
24 try to make a better, more comprehensive environmental
25 document.

1 After the final environmental document is
2 completed and published, the federal government and State
3 governments will go through their own separate hearing and
4 review processes.

5 The Maritime Administration and U.S. Coast Guard
6 will hold a public hearing next year and take comments from
7 all concerned for up to 45 days after the final public
8 hearing.

9 After this comment period the Maritime
10 Administration will make a decision within 45 days of the
11 close of comments. The decision would be to issue a
12 license, reject the application, or issue a license subject
13 to conditions.

14 That decision will be reflected in a record of
15 decision and followed by a license, should the application
16 be accepted.

17 Any conditions in an accepted application would be
18 reflected in the record of decision and the license.

19 Thank you for your interest and comments.

20 MR. PRESCOTT: Thank you. At this time,
21 Mr. Cy Oggins, from the California State Lands Commission.

22 MR. OGGINS: Good afternoon. My name is
23 Cy Oggins, and I am a Staff Environmental Scientist and
24 Project Manager with the California State Lands Commission.

25 The Lands Commission has two significant roles

1 with respect to the propose project. First, we have
2 received an application from BHP Billiton to use State
3 lands, offshore California, to place two natural gas
4 pipelines, associated with the applicant's proposed project.

5 Second, we have been designated as the lead
6 agency, pursuant to the California Environmental Quality
7 Act, or CEQA, to prepare the Environmental Impact Report for
8 this proposed application.

9 We are doing this jointly with the U.S. Coast
10 Guard and the Maritime Administration.

11 Under the California Environmental Quality Act the
12 Commission, at a later noticed public hearing, will make a
13 determination as to whether or not the Environmental Impact
14 Report is adequate.

15 Should the Commission certify the Environmental
16 Impact Report, the Commission would then consider whether or
17 not to approve a pipeline right of way lease.

18 The purpose of today's meeting, however, is really
19 not for me to speak, but for the staff of the State Lands
20 Commission, the Coast Guard, and the Maritime Administration
21 to listen and to hear everyone's public comments on the
22 draft Environmental Impact Report.

23 No action by the State Lands Commission will occur
24 tonight, and no action will be taken until a final
25 Environmental Impact Report, impact statement is taken, and

1 that will occur sometime next year.

2 So thank you for taking the time to come today and
3 provide us with your comments.

4 MR. PRESCOTT: Thank you, Cy.

5 I'd now like to ask Cheryl Karpowicz to provide
6 you with a brief description of the project and the
7 environmental issues discussed in the joint EIS/EIR.

8 MS. KARPOWICZ: Thank you, Mark.

9 Can everyone hear me? Okay.

10 The California State Lands Commission and the U.S.
11 Coast Guard have hired Ecology & Environment, Incorporated,
12 to assist them in preparing an independent, third party
13 Environmental Impact Statement/Environmental Impact Report.

14 Our contract is with the California State Lands
15 Commission and we are working directly for Cy Oggins and
16 Mark Prescott.

17 Our job has been to independently verify
18 information that has been submitted by BHP Billiton, to
19 analyze alternatives and potential impacts, and to assist
20 the Coast Guard and Lands Commission to prepare the document
21 for public review and comment.

22 This slide shows the basic steps in the
23 environmental review process. We started with public
24 notification and scoping last winter, on your far left, the
25 red box. In all, about 305 people participated in the open

1 houses and public scoping meetings, and we received 200
2 letters, e-mails, and other comments. We want to thank you
3 for your participation.

4 In addition, as part of the independent risk
5 assessment, we held a one-day security workshop and a three-
6 day public safety workshop, which were attended by many
7 local, State, and federal agencies, and the project
8 technical team.

9 During scoping we also received several requests
10 to translate the EIS/EIR into Spanish, which we did. That's
11 this document.

12 Tonight, or this afternoon, we also have several
13 people in attendance who would be happy to assist you to
14 make your comments in Spanish, or with Spanish translation.

15 I'm going to make these same comments in Spanish.

16 (Spanish comments.)

17 MS. KARPOWICZ: So turning back to the process,
18 right now we're in the middle, the red box in the middle.
19 We've prepared and distributed the EIS/EIR.

20 And this afternoon we look forward to hearing your
21 comments regarding the draft EIS/EIR. We will respond to
22 all comments in the final EIS/EIR, which we plan to publish
23 and distribute during the winter of 2005.

24 Here is a map showing the proposed project
25 location in the region. The deepwater port would be located

1 about 14 miles offshore, at the closest point to land. This
2 is the only place where LNG would be handled.

3 Onshore, a metering station and other facilities
4 would be built, and underground pipelines would transport
5 natural gas through Oxnard and/or Ventura County, and in
6 Santa Clarita, to the Southern California Gas system.

7 Here's a map showing the regional context, and
8 this graphic shows the location of the offshore LNG port,
9 the offshore natural gas pipelines, and the onshore natural
10 gas pipelines.

11 One of our jobs in preparing the Environmental
12 Impact Statement/Environmental Impact Report is to analyze
13 both the proposed project and a range of alternatives.

14 The alternatives we examined are shown on this map
15 and included the no action alternative, an alternative port
16 location, alternative shore crossings, two alternatives to
17 the Center Road pipeline, which have changed since the
18 scoping meetings, and an alternative to the Santa Clarita
19 pipeline.

20 We evaluated a broad range of environmental issues
21 and resources for analysis, as contained in the EIS/EIR. In
22 all, we identified about 118 potential impacts, and over 200
23 mitigation measures.

24 We determined that eight impacts would remain
25 significant after mitigation.

1 Now, I'd like Dr. Andy Welford to talk about the
2 independent risk assessment that the project team prepared
3 to help us evaluate public safety aspects of the project.

4 DR. WOLFORD: Thank you, Cheryl.

5 Ecology & Environment subcontracted A.J. Welford &
6 Associates to conduct an independent risk assessment. The
7 results of this assessment are documented in Section 4.2 of
8 the draft EIS/EIR.

9 Turning to the diagram, this shows the risk
10 assessment process and how it interfaced with the
11 preparation of the draft EIS/EIR.

12 I'll describe the major components of the risk
13 assessment from top to bottom.

14 First, an independent risk assessment team was
15 formed that included technical professionals, with expertise
16 in marine operations, LNG facility design, risk analysis,
17 risk communication, safety, security, computational fluid
18 dynamics, and structural engineering.

19 This team familiarized themselves with the
20 proposed system design and operating data, as provided by
21 the applicant.

22 The accident record for the LNG industry and the
23 hazards of LNG, as presented by this project, were reviewed.

24 Accident and security scenarios, that could lead
25 to a release of LNG, were identified based on public scoping

1 meetings and comments, two intensive workshops, an
2 independent review of the applicant's conceptual design,
3 operating procedures, and an independent review of the
4 applicant's confidential security plan and emergency
5 procedures.

6 Oceanographic and meteorology experts collected
7 and summarized site-specific weather and ocean conditions
8 for the proposed project location, as these related to
9 accident scenarios.

10 Marine operations and risk analysts collected and
11 analyzed marine traffic numbers and patterns to identify the
12 types and tonnage of vessels transiting in the waters near
13 the proposed FSRU location.

14 Scenarios then were screened out that would not
15 result in impacts outside the immediate vicinity of the
16 FSRU, or were too unlikely to occur.

17 State of the art computer modeling was performed
18 to determine the extent, the timing, and the location of LNG
19 and natural gas released.

20 In parallel with this, marine and risk specialists
21 developed estimated frequencies for ship collisions.

22 Finally, these frequency estimates and consequence
23 calculations were then combined to estimate the risks posed
24 by the proposed project.

25 Now, I'd like to return the mike to Mark Prescott,

1 to conclude the team presentations.

2 MR. PRESCOTT: Government at its finest. At this
3 time I'm going to let Lewis Michaelson go ahead and give an
4 overview of how we'd like to receive your comments.

5 And a quick reminder, the purpose of this is to
6 receive your comments, we're not going to be answering
7 questions. However, if you missed the open house that we
8 held earlier, preceding this meeting, there will be another
9 open house from 4:00 until 6:00 this afternoon, where a
10 number of people, who have been involved in various aspects,
11 will be able to answer your questions.

12 Thank you.

13 MODERATOR MICHAELSON: Thank you for your patience
14 and attention.

15 This is a very simple process that we're going to
16 be going forward here. You'll recall, this meeting is
17 scheduled to end at 2:30, and we will stay here that entire
18 time.

19 We have a number of people signed up to speak, and
20 the order in which I will be calling on people includes
21 elected officials first, followed by other public agencies,
22 then individuals or groups in the order that they signed up,
23 and finally by the project applicant, if they choose to
24 speak.

25 I'm going to make this real easy and real simple.

1 We have reserved seating right here in front of me. I'll
2 call ahead the first five or six names, and that when I call
3 that group, if you'd come forward and sit right here, you'll
4 be in a perfect position to go straight to the mike, at the
5 podium.

6 And it's important that you speak from there and
7 that we only have one person speaking at a time. This
8 proceeding is being recorded by a court reporter, seated to
9 my left, to your right, and we want to make sure that we
10 capture all that you have to say.

11 Commentors, if you would, just identify yourself
12 by name, and any affiliation, if applicable. You don't have
13 to give us your address.

14 Also, keep in mind that this is only one way. I
15 know that Mr. Prescott referred to that fact, that there is
16 ample opportunity for written comments, that can be turned
17 in by December 20th, and written comments will be given the
18 same consideration as oral comments.

19 So if you want to make lengthier comments, you
20 want to have more time to think about it, or if you're
21 simply like most Americans, afraid of public speaking,
22 please take advantage of the written comment opportunity, as
23 well.

24 There is a time limit of three minutes for each
25 speaker, and I have a very low-tech way of letting you know

1 when your time is up. When you've been speaking for two
2 minutes, I'll put up one index finger, like this, indicating
3 you've got one minute to wrap up. And when your three
4 minutes are up, I'll put up my closed hand, like this,
5 indicating that your three minutes is up.

6 Depending upon how many people speak, if there's
7 any time left over at the end, before 2:30, we will also
8 allow people to come back and have what we call second
9 helpings. So keep that in mind, as well.

10 And, of course, speaking times may not be
11 combined.

12 The first people that I have signed up to speak,
13 in order are, and I'll apologize in advance for any
14 mispronunciation, Vanessa Hernandez, on behalf of
15 Congresswoman Lois Capps, the Honorable John Olsen, Roger
16 Geer, Joe Chow, Ed Ellis, and Jim Woolway.

17 So seating right here, if you could come up,
18 unless you're Ms. Hernandez and you can go right to the
19 podium.

20 And if you can pull the mike as close as you can
21 get to it, so we can hear you clearly. Thank you.

22 MS. HERNANDEZ: Good morning, or afternoon. My
23 name is Vanessa Hernandez, and I'm with -- is it on?

COMMENTER T003-1

24 MODERATOR MICHAELSON: The switch is on, push
25 that.

1 MS. HERNANDEZ: Okay. Good afternoon, my name is
 2 Vanessa Hernandez, and I'm here representing Congresswoman
 3 Lois Capps.

4 "Thank you for this opportunity to
 5 submit comments on the draft
 6 Environmental Impact Statement for the
 7 proposed Cabrillo Port. I represent the
 8 23rd Congressional District, in which
 9 the proposed onshore facilities and
 10 pipelines would be located. As a member
 11 of the Energy Commerce Committee, I am
 12 deeply interested in the LNG and other
 13 energy issues.

14 "On November 5th, I requested a 60-
 15 day extension to the comment period on
 16 the DEIS. My office has yet to receive
 17 a response. I am hopeful that an
 18 extension to the comment period will be
 19 granted in order for the public to
 20 completely review the 1,234 page draft.

21 "As you know, energy companies are
 22 proposing a multitude of new facilities
 23 in California to be used for importing
 24 LNG, and they are advancing on our
 25 community at a rapid pace. As such,

T003-1.1

On December 1, 2004, Admiral Collins, Commandant, USCG,
 responded to your request.

All deepwater port applications fall under the authority of the
 Deepwater Port Act, which requires that a decision on the
 application be made within 330 days of the publication of the Notice
 of Application in the Federal Register. The Notice of Application for
 the Cabrillo Port Project was published in the Federal Register on
 January 27, 2004. Although the comment period (53 days) could
 not be extended at that time, a Revised Draft EIR was recirculated
 in March 2006 under the CEQA for an additional public review
 period of 60 days. Section 1.4.1 contains additional information on
 this topic.

Section 1.5 contains information on opportunities for public
 comment. After the MARAD final license hearing, the public will
 have 45 days to comment on the Final EIS/EIR and the license
 application. The Federal and State agencies will have an additional
 45 days to provide comments to the MARAD Administrator. The
 Administrator must issue the Record of Decision within 90 days
 after the final license hearing. The CSLC will hold one or more
 hearings to certify the EIR and make the decision whether to grant
 a lease. The California Coastal Commission will also hold a
 hearing. Comments received will be evaluated before any final
 decision is made regarding the proposed Project.

T003-1.1

T003-1.2

This EIS/EIR does not address how many LNG facilities will be built
 because the information necessary is not presently available, and
 the decision concerning how many facilities are needed ultimately
 is not before the lead agencies.

T003-1.2

1 they are not part of a coherent strategy
2 for evaluating the overall need for
3 additional capacity in California.

4 "This ad hoc approach does not
5 provide an adequate basis for decision
6 making about individual proposals. Like
7 many of my constituents, I have a strong
8 concern with the proposed Cabrillo Port
9 LNG Deepwater Port project. If these
10 concerns are not completely addressed, I
11 have no choice but to oppose this
12 project.

13 "There are three critical issues
14 that must be addressed. First, current
15 and projected demand for import LNG
16 should be analyzed to determine where
17 LNG facilities are needed. Projected
18 increased demand should not be accepted
19 as a foregone conclusion. Our first
20 step should always be to see if we can
21 reduce demand, and I am not convinced
22 that we have done that. Efforts to
23 increase efficiency and investments in
24 renewable energy can be deployed far
25 more quickly than terminals can be

T003-1.2
(cont'd)

T003-1.3

Sections 1.2.2 and 1.2.3 address natural gas needs in the U.S. and California. Forecast information has been obtained from the U.S. Department of Energy's Energy Information Agency and from the California Energy Commission. Sections 1.2.2, 1.2.3, 1.2.4, 3.3.1, 3.3.2, and 4.10.1.3 contain additional information on the role of renewables and conservation in projected energy demand.

T003-1.4

Sections 3.3.1 and 3.3.2 address conservation and renewable energy sources, within the context of the California Energy Commission's 2005 Integrated Energy Report and other State and Federal energy reports, as alternatives to replace additional supplies of natural gas.

T003-1.3

T003-1.4

1 built.

2 "High efficiency appliances, better
3 building codes, and solar, wave, and
4 wind power should be more fully
5 explored. This will reduce our
6 dependency on increasing, expensive
7 fossil fuel imports. Secondly, we need
8 to ensure that LNG facilities are sited
9 and operated in a manner that provides
10 the utmost protection for the public and
11 has the least impact on import local
12 industries, like fishing and shipping.

13 "As you know, the Coast Guard has
14 acknowledged that even siting facilities
15 in a remote location may, itself, make
16 the facility a much more attractive
17 target for terrorists. I would note
18 that the Bush Administration has still
19 not fully addressed the issue of
20 security at our nation's ports, or
21 chemical, or nuclear plants. For those
22 who may believe this is not something to
23 be seriously evaluated, the LNG facility
24 in the Boston Harbor was actually shut
25 down during the Democrat Convention

T003-1.4
(cont'd)

T003-1.5

T003-1.5

Section 2.1 contains information on design criteria and specifications, final design requirements, and regulations governing the construction of the FSRU. The Cabrillo Port must be designed in accordance with applicable standards, and the U.S. Coast Guard has final approval. Section 4.2.4 contains information on Federal and State agency jurisdiction and cooperation. The Deepwater Port Act specifies regulations that all deepwater ports must meet; Section 4.2.7.3 contains information on design and safety standards for the deepwater port. Section 4.2.8.2 contains information on pipeline safety and inspections. Impact EJ-1 in Section 4.19.4 addresses additional pipeline design requirements in areas of low-income and minority communities. The EIS/EIR's analyses have been developed with consideration of these factors and regulations and in full conformance with the requirements of NEPA and the CEQA.

Impacts SOCIO-1 through SOCIO-3 contain information on impacts on commercial fishing. Section 4.3 contains information on shipping in the offshore Project area.

T003-1.6

T003-1.6

Table 4.2-2 and Sections 4.2.6.1 and 4.2.7.6 contain information on the threat of terrorist attacks.

1 because of the threat of terrorism.

2 "It is also vitally important that
3 we understand the regional seismic and
4 geological hazards in this area, and I
5 do not believe the DEIS takes these
6 issues fully into account.

7 "Third, we should promote siting
8 LNG facilities only in a manner that
9 protects our beautiful and valuable
10 environment. Although the Santa Barbara
11 Channel is attractive to developers, it
12 is also a tremendous scenic and natural
13 resource. It is home to the Channel
14 Islands Natural Marine Sanctuary and
15 large concentrations of marine life.

16 "Very serious consequences would be
17 associated with new development at the
18 Channel Islands. Noise, water, air
19 pollution, visual impacts, and coastal
20 development. All of these impact the
21 lives of our wildlife, fishermen, and
22 those that work and vacation along the
23 coastline.

24 "For those reasons outlined, I will
25 oppose this project if these issues are

T003-1.7

T003-1.7

Section 4.11 contains revised information on seismic and geologic hazards and mitigation that specifically addresses the potential damage to proposed pipelines from a direct rupture along fault lines. Appendices J1 through J4 contain additional evaluations of seismic hazards.

T003-1.8

T003-1.8

The FSRU would be located outside of the current boundary of the Channel Islands National Marine Sanctuary (CINMS) and vessels associated with Cabrillo Port operations would not be expected to enter the CINMS. Sections 4.7.1.4, 4.13.2.2, and 4.20.1.5 discuss the potential expansion of the CINMS boundary, which is not proposed at this time. Sections 4.7.4, 4.15.4, 4.16.4, and 4.18.4 describe potential impacts on the marine environment and proposed mitigation measures to reduce those potential impacts.

T003-1.9

Sections 4.4, 4.6, 4.7, 4.13, 4.14, 4.15, 4.16, and 4.18 contain information on these topics.

T003-1.9

T003-1.10

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T003-1.10

1 not completely resolved. I encourage
2 the Coast Guard, State Lands Commission,
3 the Department of Transportation to act
4 deliberately in this manner, based on a
5 thorough public record, in light of our
6 nation's goals of environmental
7 protection, public safety, and energy
8 diversity."

9 MS. HERNANDEZ: Thank you very much, and we
10 appreciate it.

11 MODERATOR MICHAELSON: Thank you very much.
12 (Applause.)

13 MODERATOR MICHAELSON: The Honorable John Olsen,
14 The Commonwealth of Australia.

15 And I think it might be a good idea, if you're
16 reading from prepared remarks, to look up occasionally to
17 see if I've put up my finger.

18 AUSTRALIAN COUNSEL GENERAL OLSEN: Good afternoon,
19 Australia's Counsel General, based in Los Angeles, John
20 Olsen is my name.

21 I appreciate the opportunity to present to you
22 today, incorporating three factors, the Australian/U.S.
23 relationship and alliance, supply and demand of LNG, and BHP
24 Billiton's, as a company, standing within Australia.

25 Australia and the United States have had close

T003-1.10
(cont'd)

T003-2.1
Thank you for the information.

COMMENTS
T003-2

T003-2.1

T003-2.1
(cont'd)

1 relationships, now, for a century. We are friends and
2 allies. There is a balance of trade surplus towards
3 California of some 2 billion dollars annually, principally
4 in manufactured goods.

5 Nationally, there is a surplus of trade for the
6 United States of the order of 5 to 8 billion dollars
7 annually. I note that not many countries throughout the
8 world have, with the United States currently, have a trade
9 surplus.

10 Throughout the last one hundred years Australia
11 has been a friend of the United States, and vice-versa. On
12 every international conflict Australia has stood foursquare
13 behind the United States in its international quests.

14 In relation to LNG, Australia is a source of very
15 substantial LNG resources, 8 million tons per annum,
16 currently, and 40 million tons per annum is available for
17 export.

18 Australia's official proven probable gas reserves
19 were estimated at 143 trillion cubic feet January 2003, and
20 industry considers this a conservative estimate.

21 New capacity, under construction, will see LNG
22 exports double over the course of the next four years.

23 Australia is a reliable and competitive LNG
24 exporter. Australia is the only major LNG exporter that is
25 a western nation and a friend of the United States.

T003-2.1
(cont'd)

1 Australia has high standards in construction and
2 maintenance. We have a highly educated workforce, high
3 levels of skill, sophisticated information and
4 telecommunications environment.

5 Australia is politically stable.

6 Of all the existing proposed plants in Australia,
7 all of them have at least one American partner.

8 We have an impeccable LNG record. Of 1,600
9 shipments over the last 20 years, there has never been an
10 incident, never been a safety breach.

11 Australia's exporters, the Northwest Shelf, use
12 only Australian flag, British flag, and Japanese flag
13 vessels. We do not use flags of convenience.

14 BHP Billiton is Australia's largest company. In
15 fact, it's the world's largest diversified resources
16 company. It is an outstanding corporate citizen within
17 Australia. It has put in place a number of policies and
18 procedures that have established a benchmark in Australia,
19 in dealing with workforce.

20 The unions, and the Australian Labor Party, in
21 Australia, have praised these procedures of BHP Billiton.

22 Demand of LNG will escalate substantially in the
23 Asia/Pacific in the course of the next 10 to 20 years.

24 I thank you for the privilege and courtesy that's
25 been extended to Australia to present today.

1 MODERATOR MICHAELSON: Thank you.

2 (Applause.)

3 MODERATOR MICHAELSON: Roger Geer, or Geer?

4 MR. GEER: Geer.

5 MODERATOR MICHAELSON: Geer.

6 MR. GEER: I'm just a concerned citizen, I don't
7 represent anybody, except maybe myself and a few others.

8 My concerns are in two things. My concern is most
9 of the gas we're going to be bringing in is going to be used
10 in L.A. Why didn't they build it in L.A., instead of up
11 here.

12 The second concern is, when you're bringing this
13 back from liquid to a gas, the amount of energy you're going
14 to be using mostly --

15 MODERATOR MICHAELSON: Guys, we just lost our PA.
16 Is it back on?

17 MR. GEER: I think it's back. What I'm concerned
18 with is that in the process of combustion you're emitting a
19 lot of gas and how's that affecting our environment, and
20 basically that's the concern I have.

21 Thank you.

22 MODERATOR MICHAELSON: Thank you very much. Sorry
23 about the interruption.

24 Our next speaker is Joe Chow.

25 MR. CHOW: Good afternoon. My name is Joe Chow,

COMMENTER
T003-3

T003-3.1

T003-3.2

COMMENTER
T003-4

T003-3.1

The USCG, MARAD, and the CLSC received an application for a deepwater port off the shore of Ventura County. The USCG and MARAD are therefore required under NEPA to evaluate this alternative as the Applicant's preferred alternative. The agencies have evaluated this alternative in comparison with the other reasonable alternatives in compliance with NEPA and the CEQA.

The EIS/EIR initially evaluated 18 locations for the FSRU as potential locations for the deepwater port. It built on previous California Coastal Commission studies that evaluated nearly 100 locations. Section 3.3.7 contains information on other locations that were considered.

T003-3.2

Sections 4.6.1.4 and 4.6.2 contain information on Project emissions of greenhouse gases and recent California legislation regarding emissions of greenhouse gases.